Council of the European Union

PRESS

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BACKGROUND[1]
Brussels, 12 November 2015

ECONOMIC and FINANCIAL AFFAIRS (BUDGET) COUNCIL
Friday 13 November in Brussels

Starting at 10.00 the Council will prepare the meeting of the Conciliation Committee taking place the same day from 11.30 onwards.

The Conciliation Committee's task is to bridge the gap between the Council's and European Parliament's positions regarding the 2016 EU budget and to agree on a joint text.

This is the first time since the entry into force of the Lisbon Treaty in 2009 that the Conciliation Committee could dedicate its work entirely to the next year's EU budget. This contrasts with the previous years when the discussions were hampered by a number of outstanding draft amending budgets.

The challenge in the negotiations on the 2016 EU budget will be to respect the expenditure ceilings of the EU's multiannual financial framework 2014-2020 while to provide the necessary means for a number of priority actions, notably for tackling the refugee crisis and promoting growth and creating jobs. The conciliation talks will also be an opportunity to ensure that EU institutions implement their engagement made in December 2013 to reduce their staff numbers by 5% between 2013 and 2017.

After the meeting of the Conciliation Committee the Council will resume its session in order to take note of the results and endorse the deal or to decide on the next steps if the negotiations with the European Parliament were not successful.

Unlike the work of the Conciliation Committee the Council meeting will be held in public session.

If the Conciliation Committee reaches agreement on a joint text, the Council and the European Parliament have to formally approve it within 14 days.

The presidency will hold a press conference at the end of the Council meeting (probably late in the evening).

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Press conferences and public events by video streaming: http://video.consilium.europa.eu

Video coverage in broadcast quality (MPEG4) and *photo gallery on*: www.eucouncil.tv

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[1] This note has been drawn up under the responsibility of the press office.

BEFORE THE CONCILIATION COMMITTEE MEETING

The Council will prepare the meeting of the Conciliation Committee taking place the same day and provide guidance to the Luxembourg presidency.

DURING THE CONCILIATION COMMITTEE MEETING

The Conciliation Committee is composed of the 28 members of the Council and an equal number of members of the European Parliament; the European Commission also takes part in the Conciliation Committee's meeting.

The task of the Conciliation Committee is to find an agreement on the 2016 budget by bridging the gap between the Council's and Parliament's position.

In its draft **budget for 2016** the Commission proposed to set the total level of commitments at €153.83 billion and of payments at €143.54 billion. This is a decrease of 5.2% in commitments and an increase of 1.6% in payments compared to the 2015 budget as amended by amending budgets no 1-7.

The Council's position, adopted on 4 September by unanimity, amounts to €153.27 billion in commitments (-5.5%) and €142.12 billion in payments (+0.6%).

In its amendments adopted on 28 October the Parliament asked for total commitments to be increased to €157.43 billion (-3.0%) and total payments to €146.46 billion (+3.7%). This is €1.5 billion and €1.3 billion respectively above the ceilings of the multiannual financial framework.

The Council's objective is to reach an agreement on the 2016 EU budget that would enable the EU to meet its current challenges in full respect of the expenditure limits of the multiannual financial framework for 2014-2020. It also attaches high importance to leave sufficient financial leeway to allow the EU to react to unforeseen needs.

One of the Council's main priorities is to provide sufficient support to tackle the refugee crisis. The Council has accepted without change the resources for migration-related measures proposed by the Commission in its 2016 draft budget.

The conciliation will also provide an opportunity to ensure that **EU institutions** honour their commitment with regard to their **staff numbers**. According to Commission calculations the Council will have reduced its staff number in 2016 by 4.5% compared to 2013 and the Commission by 4%. By contrast, the Parliament wants to increase its staff by 0.4% over the same period. In their interinstitutional agreement on budgetary discipline agreed in December 2013 the three institutions committed to decrease their staff numbers by 5% between 2013 and 2017.

Establishment Plan Posts - All Institutions										
Evolution to date vis-à-vis the -5 % reduction target over 5 years 2013-2017										
Institution	2012 Budget (a)	2013-2017 reduction target	Annual reference target (b)	Posts reduction implementation (c)					Remaining distance to -5 % target	
		-5%	-1%	2013	2014	2015	2016	Total	Posts	% points
European Parliament	6.618	- 331	- 66	59	- 17	- 47	34	29	360	5,4%
European Council and Council	3.136	- 157	- 31	- 46	- 42	- 22	- 32	- 142	15	0,5%
Commission	25.073	- 1.254	- 251	- 250	- 250	- 263	- 252	-1.015	239	1,0%
Court of Justice of the European Union	1.952	- 98	- 20	- 20	- 20	- 7	7	- 40	58	3,0%
Court of Auditors	885	- 44	- 9	- 9	- 9	- 9	- 9	- 36	8	0,9%
European Economic and Social Committee	685	- 34	- 7	- 7	- 7	- 7	- 7	- 28	6	0,9%
Committee of the Regions	500	- 25	- 5	-	- 5	- 5	- 7	- 17	8	1,6%
European Ombudsman	64	- 3 (d)	- 1	-	-	- 1	- 1	- 2	1	1,9%
European Data-Protection Supervisor	43	- 2 (d)	-	-	-	- 1	- 1	- 2	0	0,3%
European External Action Service	1.679	- 84	- 17	-	- 17	- 17	- 17	- 51	33	2,0%
Total institutions	**40.635**	**- 2.032**	**- 407**	**- 273**	**- 367**	**- 379**	**- 285**	**-1.304**	***728***	***1,8%***

(a) Authorised 2012 posts excluding Croatia enlargement (140 posts) with the following adjustments:
- 60 posts were added to the European Parliament and deducted from the European Economic and Social Committee (-36) and from the Committee of the Region (-24) in order to reflect the impact of the cooperation agreement signed on 5 February 2014 between those institutions.
- 10 posts were transferred from the Council to the EEAS in 2014.
- 2 posts were transferred from the EEAS to the Commission (PMO) in 2014.
- 1 post was transferred from the Court of Auditors to the Commission (PMO) in 2015.
- 1 post was transferred from the Council to the EEAS in 2015.
- 6 posts were transferred from the Council to the Commission (PMO) in 2015
- 2 posts will be transferred from the European Parliament to the Commission in 2016
- 1 post will be transferred from the Court of Auditors to the Commission in 2016.

(b) Linear projection over 5 years at 1 % per year, rounded figures.

(c) Sources: authorised budgets 2013, 2014 and 2015 (including amending budgets), draft budget 2016 (after EP reading)

(d) By the end of 2017, the European Ombudsman and the European Data Protection Supervisor are expected to reduce their posts by 3 and 2 respectively.

The negotiations on the 2016 EU budget will also cover **amending letter no 2 for 2016** [12989/15] presented by the Commission on 14 October. This amending letter increases support for managing the refugee crisis by €1.55 billion in commitments and €1.42 billion in payments for the most vulnerable member states, the relocation of refugees and the migration and border funds. It also reduces the 2016 draft budget by €477.3 million in commitments and payments to take account of new estimates for agricultural expenditure and fisheries. The amending letter's net budgetary impact is an increase of the 2016 draft budget by €1.07 billion in commitments and €914.5 million in payments. Neither the Council nor the Parliament have yet taken a position on the amending letter. However, the Council is willing to discuss additional support from the 2016 EU budget, on the basis of the Commission's amending letter no 2.

Without being formally part of the conciliation talks, **draft amending budget no 8 for 2015** [13159/15] might also be raised in the discussions. This draft amending budget adjusts the 2015 budget to take account of a forecast increase in other revenue such as fines of €1.5 billion and customs duties of €800 million. It also incorporates into this year's budget the additional contributions that member states have already paid, or still have to pay, for the 2014 and 2015 VAT and GNI own resources balances (€5.7 billion and €1.4 billion respectively). The Council accepted draft amending budget no 8 on 10 November while the Parliament has not yet taken a position on it.

After the Conciliation Committee meeting

The Council will resume its session in order to take note of the results and endorse the compromise reached or to decide on the next steps if the negotiations with the Parliament were not successful.

If the Conciliation Committee reaches agreement on a joint text, the Council and the European Parliament have to formally approve it within 14 days (see flow-chart in the annex).

If conciliation does not succeed by 18 November, the Commission must submit a new draft budget for 2016.

Should the budget not be adopted at the beginning of 2016, a sum equivalent to not more than one twelfth of the budget appropriations for 2015 or of the draft budget proposed by the Commission, whichever is smaller, may be spent each month for each chapter of the budget.

Breakdown by heading for "total expenditure" in the MFF

	Description	1		2		3		4	
		DB* 2016 (incl. LA♣ 1/2016)		Council's Position on DB* 2016 (incl. LA♣ 1/2016)		European Parliament's Position on Council's Position 2016		DB* 2016 (incl. LA1♣ to LA2♣)	
		c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
1	**Smart and inclusive growth**	**69 743 081 847**	**66 578 193 962**	**69 599 083 960**	**65 922 682 873**	**71 631 286 260**	**68 233 729 503**	**69 748 081 847**	**66 583 193 962**
	global margin for commitments	*543 000 000*		*543 000 000*		*543 000 000*		*543 000 000*	
	ceiling	*69 304 000 000*		*69 304 000 000*		*69 304 000 000*		*69 304 000 000*	
	margin	*103 918 153*		*247 916 040*		*- 1 784 286 260*		*98 918 153*	
1.a	Competitiveness for growth and jobs	18 921 431 584	17 518 123 082	18 780 533 697	17 082 711 993	20 326 958 510	18 009 629 620	18 926 431 584	17 523 123 082
	global margin for commitments	*543 000 000*		*543 000 000*		*543 000 000*		*543 000 000*	
	ceiling	*18 467 000 000*		*18 467 000 000*		*18 467 000 000*		*18 467 000 000*	
	margin	*88 568 416*		*229 466 303*		*- 1 316 958 510*		*83 568 416*	
1.b	Economic, social and territorial cohesion	50 821 650 263	49 060 070 880	50 818 550 263	48 839 970 880	51 304 327 750	50 224 099 883	50 821 650 263	49 060 070 880
	ceiling	*50 837 000 000*		*50 837 000 000*		*50 837 000 000*		*50 837 000 000*	
	margin	*15 349 737*		*18 449 737*		*- 467 327 750*		*15 349 737*	
2	**Sustainable growth: natural resources**	**63 104 378 823**	**55 865 891 958**	**62 904 465 705**	**55 614 755 357**	**63 614 773 137**	**56 386 456 729**	**62 616 090 519**	**55 377 603 654**
	ceiling	*64 262 000 000*		*64 262 000 000*		*64 262 000 000*		*64 262 000 000*	
	margin	*1 157 621 177*		*1 357 534 295*		*647 226 863*		*1 645 909 481*	
3	**Security and citizenship**	**2 669 966 698**	**2 258 959 739**	**2 644 855 260**	**2 225 365 701**	**3 601 052 637**	**2 845 500 227**	**4 049 966 698**	**3 017 787 739**
	flexibility instrument (3)	*123 966 698*		*98 855 260*		*123 966 698*		*1 503 966 698*	
	ceiling	*2 546 000 000*		*2 546 000 000*		*2 546 000 000*		*2 546 000 000*	
	margin	*0*		*0*		*- 931 085 939*		*0*	
4	**Global Europe**	**8 881 729 361**	**9 539 215 403**	**8 718 289 361**	**9 088 775 403**	**9 143 000 000**	**9 671 705 617**	**9 031 729 361**	**10 154 215 403**
	ceiling	*9 143 000 000*		*9 143 000 000*		*9 143 000 000*		*9 143 000 000*	
	margin	*261 270 639*		*424 710 639*		*0*		*111 270 639*	
5	**Administration**	**8 908 692 052**	**8 910 192 052**	**8 877 538 473**	**8 879 038 473**	**8 912 623 052**	**8 912 923 052**	**8 932 606 052**	**8 934 106 052**
	ceiling	*9 483 000 000*		*9 483 000 000*		*9 483 000 000*		*9 483 000 000*	
	margin	*574 307 948*		*605 461 527*		*570 376 948*		*550 393 948*	
	Pensions and European Schools	1 812 595 480	1 812 595 480	1 812 595 480	1 812 595 480	1 812 595 480	1 812 595 480	1 812 595 480	1 812 595 480
	Administrative expenditure of the institutions	**7 096 096 572**	**7 097 596 572**	**7 064 942 993**	**7 066 442 993**	**7 100 027 572**	**7 100 327 572**	**7 120 010 572**	**7 121 510 572**
	sub-ceiling	*7 679 000 000*		*7 679 000 000*		*7 679 000 000*		*7 679 000 000*	
	sub-margin	*582 903 428*		*614 057 007*		*578 972 428*		*558 989 428*	
6	**Compensations**	**p.m.**	**p.m.**	**p.m.**	**p.m.**	**p.m.**	**p.m.**	**p.m.**	**p.m.**
	ceiling	*0*		*0*		*0*		*0*	
	margin	*0*		*0*		*0*		*0*	
	MFF Headings	**153 307 848 781**	**143 152 453 114**	**152 744 232 759**	**141 730 617 807**	**156 902 735 086**	**146 050 315 128**	**154 378 474 477**	**144 066 906 810**
	flexibility instrument (3)	*123 966 698*	*45 700 000*	*98 855 260*	*0*	*123 966 698*	*45 700 000*	*1 503 966 698*	*808 604 378*
	global margin for commitments	*543 000 000*		*543 000 000*		*543 000 000*		*543 000 000*	
	ceiling	*154 738 000 000*	*144 685 000 000*	*154 738 000 000*	*144 685 000 000*	*154 738 000 000*	*144 685 000 000*	*154 738 000 000*	*144 685 000 000*
	margin (2)	*2 097 117 917*	*1 578 246 886*	*2 635 622 501*	*2 954 382 193*	*- 1 497 768 388*	*- 1 319 615 128*	*2 406 492 221*	*1 426 697 568*
	Appropriations as % of GNI (4)	**1,04%**	**0,97%**	**1,04%**	**0,96%**	**1,07%**	**0,99%**	**1,05%**	**0,98%**

(1) This amount, resulting from the rounding for the calculations of the sub-ceiling and the net transfer, is excluded when calculating the sub-margin.

(2) These amounts are calculated not taking into account appropriations for special instruments (EAR, EGF, EUSF).

(3) The amounts to be mobilised through the Flexibility Instrument in Parliament's reading need to be confirmed by the Parliament.

(4) The GNI for 2016 is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 19 May 2015.

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* Draft budget

♣ Letter of amendment

1. Breakdown for "Special Instruments"

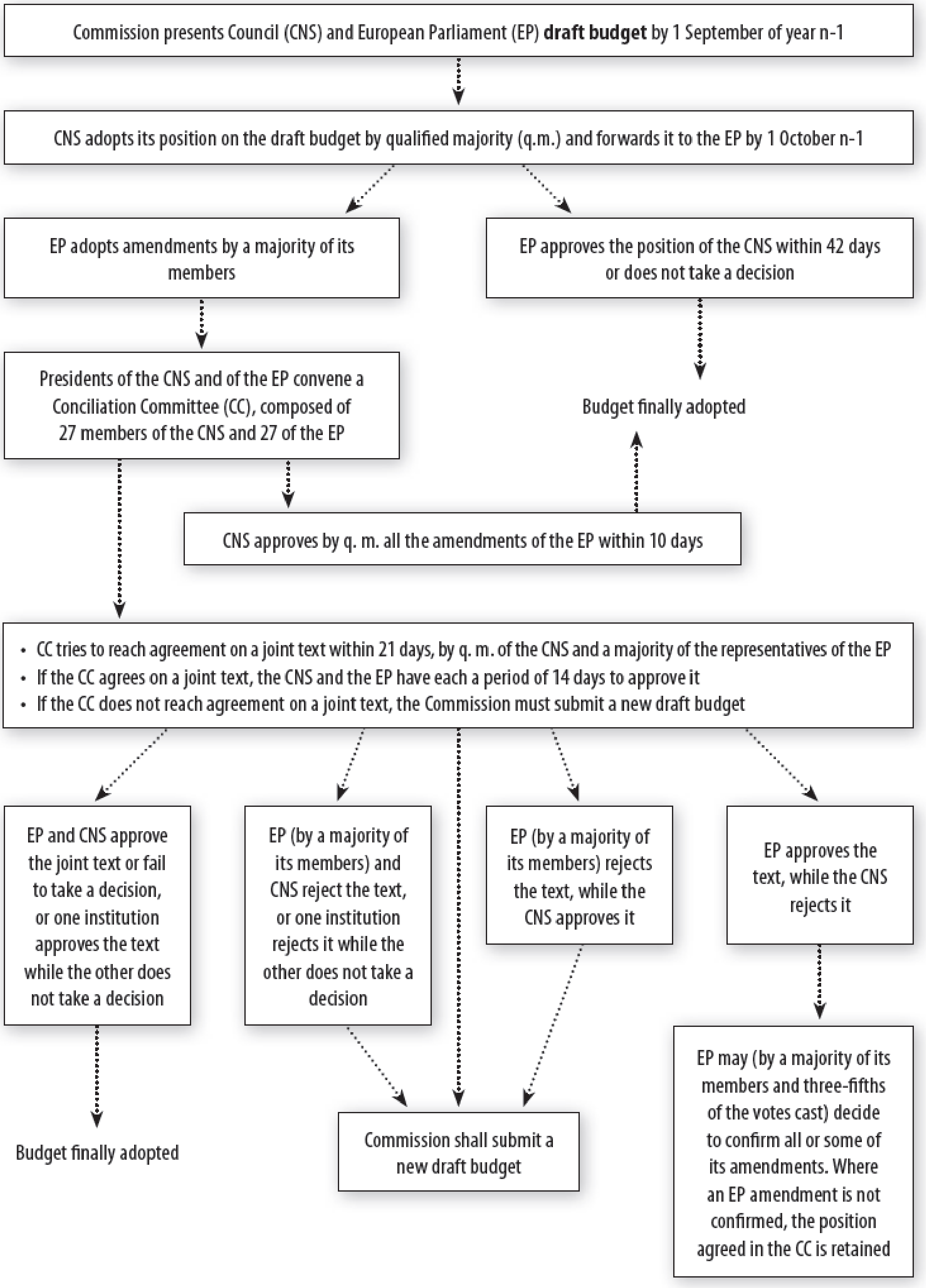
Description	1		2		3		4	
	DB 2016 (incl. LA 1/2016)		Council's Position on DB 2016 (incl. LA 1/2016)		European Parliament's Position on Council's Position 2016		DB 2016 (incl. LA1 to LA2)	
	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
Emergency Aid Reserve (EAR)	**309 000 000**	**309 000 000**	**309 000 000**	**309 000 000**	**309 000 000**	**309 000 000**	**309 000 000**	**309 000 000**
European Globalisation Adjustment Fund (EGF)	**165 612 000**	**30 000 000**	**165 612 000**	**30 000 000**	**165 612 000**	**50 000 000**	**165 612 000**	**30 000 000**
European Union Solidarity Fund (EUSF)	**50 000 000**	**50 000 000**	**50 000 000**	**50 000 000**	**50 000 000**	**50 000 000**	**50 000 000**	**50 000 000**
Special Instruments	**524 612 000**	**389 000 000**	**524 612 000**	**389 000 000**	**524 612 000**	**409 000 000**	**524 612 000**	**389 000 000**

2. Global amounts for "Total Expenditure" in the MFF Headings and "Special Instruments"

Description	1		2		3		4	
	DB 2016 (incl. LA 1/2016)		Council's Position on DB 2016 (incl. LA 1/2016)		European Parliament's Position on Council's Position 2016		DB 2016 (incl. LA1 to LA2)	
	c/a	p/a	c/a	p/a	c/a	p/a	c/a	p/a
MFF Headings	**153 307 848 781**	**143 152 453 114**	**152 744 232 759**	**141 730 617 807**	**156 902 735 086**	**146 050 315 128**	**154 378 474 477**	**144 066 906 810**
Special Instruments	**524 612 000**	**389 000 000**	**524 612 000**	**389 000 000**	**524 612 000**	**409 000 000**	**524 612 000**	**389 000 000**
Grand total	**153 832 460 781**	**143 541 453 114**	**153 268 844 759**	**142 119 617 807**	**157 427 347 086**	**146 459 315 128**	**154 903 086 477**	**144 455 906 810**
Appropriations as % of GNI (1)	**1,05%**	**0,98%**	**1,04%**	**0,97%**	**1,07%**	**1,00%**	**1,05%**	**0,98%**

(1) The GNI for 2016 is based on the forecast of GNI issued after the Advisory Committee on Own Resources (ACOR) meeting held on 19 May 2015.

Budget procedure under the Lisbon Treaty (Art. 314)



CC = *Conciliation Committee* CNS = *Council* EP = *European Parliament* q.m. = *qualified majority*